

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2076 - SB 1847

March 28, 2011

SUMMARY OF BILL: Creates the Broadband Infrastructure for Regional Economic Development Act of 2011. Defines “advanced broadband system” to mean any system or equipment used for the provision of broadband connectivity or any other like system utilizing fiber to premises or fiber to curb architecture. Defines “broadband service provider” to mean any provider of retail broadband. Urges municipalities to utilize advance broadband systems in their operations and to encourage the construction of advanced broadband systems. Requires the Tennessee Regulatory Authority (TRA) to file a report on March 1 of each year until 2014 with the Speakers of the Senate and House, the Governor, and the Chairs of the Senate and House Commerce Committees detailing the number of residential, commercial, industrial, and governmental customers utilizing advanced broadband services throughout the state.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Exceeds \$20,000,000/Permissive

Assumptions:

- Currently, there are six municipalities (Bristol, Chattanooga, Clarksville, Morristown, Pulaski, and Tullahoma) that have developed or are developing broadband infrastructure within their jurisdictions.
- According to the Chattanooga Electric Power Board, the cost to develop broadband infrastructure for its 14-county service area was approximately \$300 million dollars.
- Based on the USDA Rural Utilities Service Broadband Initiatives Program, estimate assumes the cost to develop broadband infrastructure to be approximately \$20,000,000.
- The number of local governments that will develop broadband infrastructure as a result of this bill is unknown. Estimate assumes there will be at least one such community, resulting in a permissive increase to local expenditures of \$20,000,000.
- There will not be a significant cost to TRA to keep and file a report detailing the number of entities utilizing advanced broadband services throughout the state.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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